



Local Programs Procedures

LPP 94-02

Supplemental Work & Developer Contribution -- State-Local Transportation Partnership Program (SLTPP)

Reference: April 15, 1993 SLTPP Guidelines, Section IV & Section V-F

Effective Date: January 14, 1994

Approved: ***Original Signed By***
Chief, Office of Local Programs

This procedure modifies the SLTPP guidelines to (1) allow developer contributions to fund part of SLTPP projects (but with no State matching of developer funds) and (2) make supplemental work eligible for State match funds. These revisions will be incorporated into the new SLTPP guidelines that will be issued the first part of 1994.

EXISTING PROCEDURES

Developer Contributions

Current policy prohibits developer contributions from funding all or part of local projects receiving SLTPP funds. This has resulted in projects being disqualified for the SLTPP when developer funds are involved.

Supplemental Work

Section IV, Project Eligibility, on page 2 currently identifies supplemental work (except cycle 1 & 2) as a nonreimbursable project cost item. Since supplemental work is defined as work which is anticipated and required for completion of the project as contemplated but which cannot be predetermined and provided for under contract items, it should be allowed as an additional amount in the total contract cost.

Since both of these policies place unnecessary restrictions on the use of SLTPP funds, the funding source eligibility and the project cost reimbursement are hereby modified as explained below.

NEW PROCEDURES

Developer Contributions

Effective immediately, projects with funds contributed by private developers are eligible for the SLTPP. This change applies to all cycles. Under Section V-F, Funding Sources, the following paragraph should be inserted following "2. State funds:"

"3. Private funds

Local agencies are allowed to use developer contributions to fund part of their projects participating in the SLTPP. However, the developer contributions are considered noneligible costs in the SLTPP and must be deducted before computing State matching amounts. In other words, developer contributions are not eligible amounts for matching, but they do not disqualify a project from participating in the SLTPP."

Supplemental Work

Also effective immediately, supplemental work is allowed as an eligible reimbursable item in the SLTPP. Cost estimates for project applications already submitted for Cycle 5 may be modified to include supplemental work. The only exception is that supplemental work is not allowed on early reimbursement projects receiving \$300,000 or less in State funds, since early reimbursement is based on bid amount and not adjusted to reflect final cost.

The initial total supplemental work included in the total contract cost is limited to the following dollar amounts, or percentage of the contract items total amount, whichever is greater:

Minor Projects (under \$300,000)	= 10%
Majors Under \$1 Million	=\$ 30,000 or 5%
Majors \$1-5 Million	=\$ 50,000 or 3%
Majors \$5-25 Million	=\$150,000 or 2%
Majors Over \$25 Million	=\$500,000 or 1%

Final payment on projects (except those under early reimbursement procedure with a State share of \$300,000 or less) is limited to construction contract items, contract change order items (including those for supplemental work), and State or other agency furnished materials if paid for by the local agency.